

**EYES ONLY**NPIC/D-156-62  
12 September 1962

MEMORANDUM FOR: Deputy Director/Intelligence

SUBJECT: Comments on the Executive Director's Proposal to  
Establish a Scholarship Fund

1. I have discussed with my senior staff members Mr. Kirkpatrick's proposal for the creation of a scholarship fund for the children of Agency employees and find unanimous enthusiasm among the group for the basic idea. The first steps which he proposes, namely, the accumulation of information on scholarships presently available at institutions throughout the country and the establishment of a counseling service for both parents and children, are useful and necessary beginnings to the program.

2. We are somewhat unsure, however, of exactly what type of fund Mr. Kirkpatrick has in mind. Is he proposing to establish a fund which would make outright gifts or grants to students who have met certain academic standards, have demonstrated capability, and who are significantly deserving, or is he proposing an arrangement whereby the fund would make loans to students repayable under a stipulated period of time either by the parents or the students themselves? In the first instance, the capital of the fund could not be dissipated because there is no apparent means of reaccumulating capital, and so the money would have to be invested and the scholarships made available out of the income. Under the loan method, the capital could be provided for the students and in essence a rotating fund would be established.

3. We believe that the creation of a "loan fund" would be the most feasible approach in that it is self perpetuating, allows for a direct use of capital and permits a smaller total fund of money to be used for the benefit of a greater number of individuals.

4. An alternative of course is to establish a combination of both scholarships and repayable loans if such proves practicable upon further investigation. We are not overly optimistic about the results that might accrue from an internally conducted fund-raising campaign. While many people might well participate in a limited fashion, our guess is the total amount of funds raised would not be sufficient to provide for a program of the scope we believe is envisioned here. On the other hand, if we could achieve a high percentage of Agency participation, irrespective of the total amount of funds raised, it might

**EYES ONLY****SECRET**GROUP 1  
Excluded from automatic  
downgrading and  
declassification

~~SECRET~~  
**EYES ONLY**

well provide encouragement to corporations to contribute as mentioned in paragraph 7 of the Executive Director's proposal.

5. In summary then, while we need some of the points clarified to gain a complete understanding of the recommendation, we are in favor of the basic concept and urge that it be moved ahead as quickly as possible.

50X1

ARTHUR C. LUNDAHL  
Director

National Photographic Interpretation Center

~~SECRET~~  
**EYES ONLY**